

HOUSE BILL 3592

By McManus

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 3, Part 50, relative to the Tennessee film,
entertainment and music commission.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 50, is amended by
adding the following as a new, appropriately designated section:

4-3-50__.

(a) The Tennessee film, entertainment and music commission is
authorized to enter into partnership agreements with nonprofit organizations for
the purpose of promoting and supporting the goals and objectives of the
commission.

(b) This section shall not be interpreted to abridge any powers or duties
delegated to the commission in this part.

(c) The nonprofit partners shall have their boards of directors elected by
a process approved by the governor or the governor's designee.

(d) The nonprofit partners shall be properly incorporated under the laws
of this state, and approved by the Internal Revenue Service as organizations that
are exempt from federal income tax under § 501(a) of the Internal Revenue
Code, codified in 26 U.S.C. § 501(a), by virtue of being organizations described
in § 501(c)(3) of the Internal Revenue Code, codified in 26 U.S.C. § 501(c)(3).

(e) The nonprofit partners shall annually submit to the governor, the
speakers of the senate and the house of representatives, within ninety (90) days
after the end of their fiscal year, a complete and detailed report setting forth their
operation and accomplishments.

(f) The annual reports and all books of accounts and financial records of all funds received by grant, contract or otherwise from state, local or federal sources shall be subject to audit annually by the comptroller of the treasury. With prior approval of the comptroller of the treasury, the audit may be performed by a licensed independent public accountant selected by the nonprofit partner. If an independent public accountant is employed, the audit contract between the nonprofit partner and the independent accountant shall be on contract forms prescribed by the comptroller of the treasury. The cost of any audit shall be paid by the nonprofit partner. The comptroller of the treasury shall ensure that audits are prepared in accordance with generally accepted governmental auditing standards and determine if the audits meet minimum audit standards prescribed by the comptroller of the treasury. No audit may be accepted as meeting the requirements of this section until approved by the comptroller of the treasury.

(g) All full board meetings of a nonprofit organization concerning activities authorized by this section shall be open to the public, except for executive sessions that include, but are not limited to, any of the following matters: litigation; audit or investigations; human resource issues; gift acceptance deliberations; board training; governance; donor strategy sessions; and security measures.

(h) All expenditures of a nonprofit organization relating to activities authorized by this section shall be open for public inspection upon specific request to the nonprofit organization.

(i) The proposed charter and any proposed amendments of a nonprofit organization shall be submitted to the comptroller of the treasury for review and comment prior to the adoption of any such charter or amendments.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.